

COMPETITIVE SOURCING NEWSLETTER

APRIL 2002

LESSONS LEARNED/BEST PRACTICES WORKSHOP

The Lessons Learned/Best Practices Workshop hosted by HQ AFCESA, in cooperation with HQ USAF/ILE, HQ USAF/XPM, and SAF/AQC, was held in Atlanta GA, 26-27 Feb 02. Nearly 80 CE, Manpower, and Contracting personnel representing MAJCOMs, base-level organizations, and industry attended the workshop. The focus was on collecting and discussing lessons learned from individuals who actively participate in the process. The tone of the workshop was set with briefings from Col Vrba, HQ USAF/XPM; Ms. Liz Hair, SAF/AQC; and Mr. Larry Dubbert, HQ USAF/ILE, who presented the latest policy and issues being worked at the Air Staff, Secretariat, and DOD levels. Subsequent briefings were presented by Ms. Sharon Jenks, SAF/GCQ, who discussed current issues being worked by the Air Force legal staff and by Ms. Valerie Muck, AFAA/MSA, who briefed the new role of the Air Force Audit Agency (AFAA) in the review process.

Col John Vrba, HQ USAF/XPM, presented the new strategic sourcing policy being staffed. An associated issue is to define service/agency core competencies based on criteria approved by the Senior Executive Council that will provide a dependable warfighting capability. In addition, the Air Force expects to take maximum advantage of existing alternatives to A-76 by proposing legislation that will remove barriers to further efficiency and to establish a policy to maximize all efficiencies to avoid continued arbitrary quotas. The new policy is based on keeping core competencies and determining the best provider if it is a non-core function. Col Vrba addressed the approach for determining core competencies through the use of a decision tree and to also look at the other alternatives. The Senior Executive Council endorsed this approach and is working with the Senior Executive Group to define the criteria for determining core competencies. The last step is to propose legislation to remove barriers that would impair this new policy. Guidance will be forthcoming as the policies and strategies are approved.

Ms. Liz Hair, SAF/AQCP, briefed Performance Based Services Acquisitions (PBSA). She addressed the philosophy of PBSA, the statistics on the number of PBSA actions and dollar value, the new legislation (National Defense Authorization Bill (FY02) and the various sections), the establishment of Procurement Executive Office for Services, and what is available in the contracting toolkit. PBSA requirements are described in terms of the outcome(s) or measured mission-related end results; not directing prescribed methods (how to accomplish the work). Performance is determined by measurable standards (thresholds). There is a big shift in focus from "contracting" to "acquisition." Functional involvement is essential to success. The new focus also requires a change from Performance Based Service Contracts to PBSA. It encourages the use of commercial best practices and FAR Part 12 procedures where market research is essential. Partnering with contractors (i.e., establishing a positive business relationship/alliance) is necessary to achieve the program's success. The bottom line is that PBSA is everyone's business.

Mr. Larry Dubbert, HQ USAF/ILEXO, briefed the competitive sourcing program in Air Force civil engineering (CE). He addressed the goals, current program, strategy, and future of the CE competitive sourcing program. He stated that CE strategy includes consolidating warfighter requirements at deployment bases, moving unit type codes (UTCs) from non-deploying bases, and going after larger opportunities (cost compare entire squadrons at non-UTC bases if possible and cost compare smaller work centers at warfighter-tasked bases within readiness constraints). Most of the remaining functions to be cost compared are relatively small. The Quality Assurance function, Environmental Advisors, and the EOD Flights will continue to be exempt from cost comparison. CE is executing incrementally the program set in place the last few years. It has had a huge impact on the people and the culture of CE. There may be some uncertainty in the future of the program, but it appears it is not going away.

Ms. Sharon Jenks, SAF/GCQ, briefed on the current issues being worked by her office. The first issue discussed was the Most Efficient Organization (MEO) meeting the requirements of the Statement of Work/Performance Work Statement (SOW/PWS). Here she addressed the adequate staffing of the MEO, cost of the personnel doing SOW/PWS work, and did the MEO include key personnel. Ms. Jenks addressed a case involving level of performance and briefed the conflict of interest issues regarding the use of evaluators who hold positions in the function under study, use of same contractor to develop the MEO and evaluate proposals, and use of the same contractor to develop the SOW/PWS and MEO. She cited a recent GAO decision that clarified the issue of government-furnished materials/equipment/facilities as common costs to both MEO and contract offerors. Finally, Ms. Jenks addressed the issue of “best value.” She reinforced earlier briefings that “best value/same level of performance/performance quality” applies only to cost/technical tradeoff solicitations. Numerous GAO decisions affecting competitive sourcing decisions were presented and impacts on future studies defined. GAO decisions can be found at www.gao.gov.

Ms. Valerie Muck, AFAA/MSC, briefed the new role of the AFAA in the A-76 process. Effective 1 Jan 02, AFAA assumed partial Independent Reviewing Official (IRO) responsibility for solicitations released after 1 Jan 02 and will assume full responsibility 1 Jun 02. She also addressed what AFAA will do and what AFAA cannot do. Currently, AFAA is receiving classroom training on A-76, as well as on-the-job training. To implement this new role, AFAA is developing a process for keeping the IRO apprised of milestones and subsequent changes, updating regulatory guidance to reflect new process, and obtaining commitments from MAJCOMs and/or HAF for functional support. General group discussion followed that covered lessons learned. Participants shared lessons learned from cost comparisons at their particular bases. The discussions were informative and touched every phase of the process. A consolidated list of lessons learned is available on the AFCESA web site at <http://www.afcesa.af.mil/Directorate/CEO/Contracts/Outsourcing/LessonsLearned.pdf>.

Other items of particular interest that affect competitive sourcing initiatives included:

- a. Developing a Service Delivery Summary that is realistic and measurable. Several approaches were reviewed. HQ AFCESA is reworking the generic SOW for custodial,

grounds maintenance, housing maintenance, and refuse to reflect new measurable performance thresholds.

b. Partnering with industry to develop a workable Quality Assurance Surveillance Plan (QASP). Industry has invaluable experience in this area and knows what is workable and realistic, and what is not.

c. Quality Assurance (QA) for the MEO. There is a misconception that the MEO does not need QA. However, the Management Plan should contain a Quality Control Plan that addresses how the MEO inspects itself and comply with the SOW/PWS/QASP and Management Plan. It is the responsibility of the oversight organization and the Manpower Office to provide QA to the MEO.

d. Mandatory compliance with AFIs. According to OMB Circular A-76, DOD guidance, and AFIs 63-124 and 38-203, the new organization should be based on commercial standards except for compliance with security and safety regulations. The MEO and private sector offerors need to be free to use emerging technologies and processes. The CE community has taken the lead to gain approval to address AFI compliance issues and gain relief for competitively sourced functions.

Workshop minutes, briefings, and Lessons Learned can be found at

<http://www.afcesa.af.mil/Directorate/CEO/Contracts/Outsourcing/Workshops.htm>.

ASSISTANCE

For help in planning your cost comparison, direct conversion, or reengineering efforts, call the HQ AFCEA Competitive Sourcing Help Desk at DSN 523-4970 or e-mail: cshelpdesk@tyndall.af.mil.

The Competitive Sourcing Help Desk consists of three full-time professionals with extensive experience in the competitive sourcing/cost comparison process: an engineer, a contracting specialist, and a manpower expert. They operate from HQ AFCEA to provide competitive sourcing and reengineering support services including, but not limited to, the following:

- Answering competitive sourcing/cost comparison/reengineering-related questions.
- Providing technical advice to cost comparison CE Steering Committee members.
- Assisting in developing acquisition strategies.
- Providing guidance on new acquisition procedures.
- Reviewing SOW, quality assurance plans, and management plans.
- Maintaining a repository of lessons learned from CE activities.
- Providing assistance on reengineering/manpower standards development efforts.